

Chart Packet for the FY 2002 Republican Budget

**House Budget Committee
Democratic Staff**

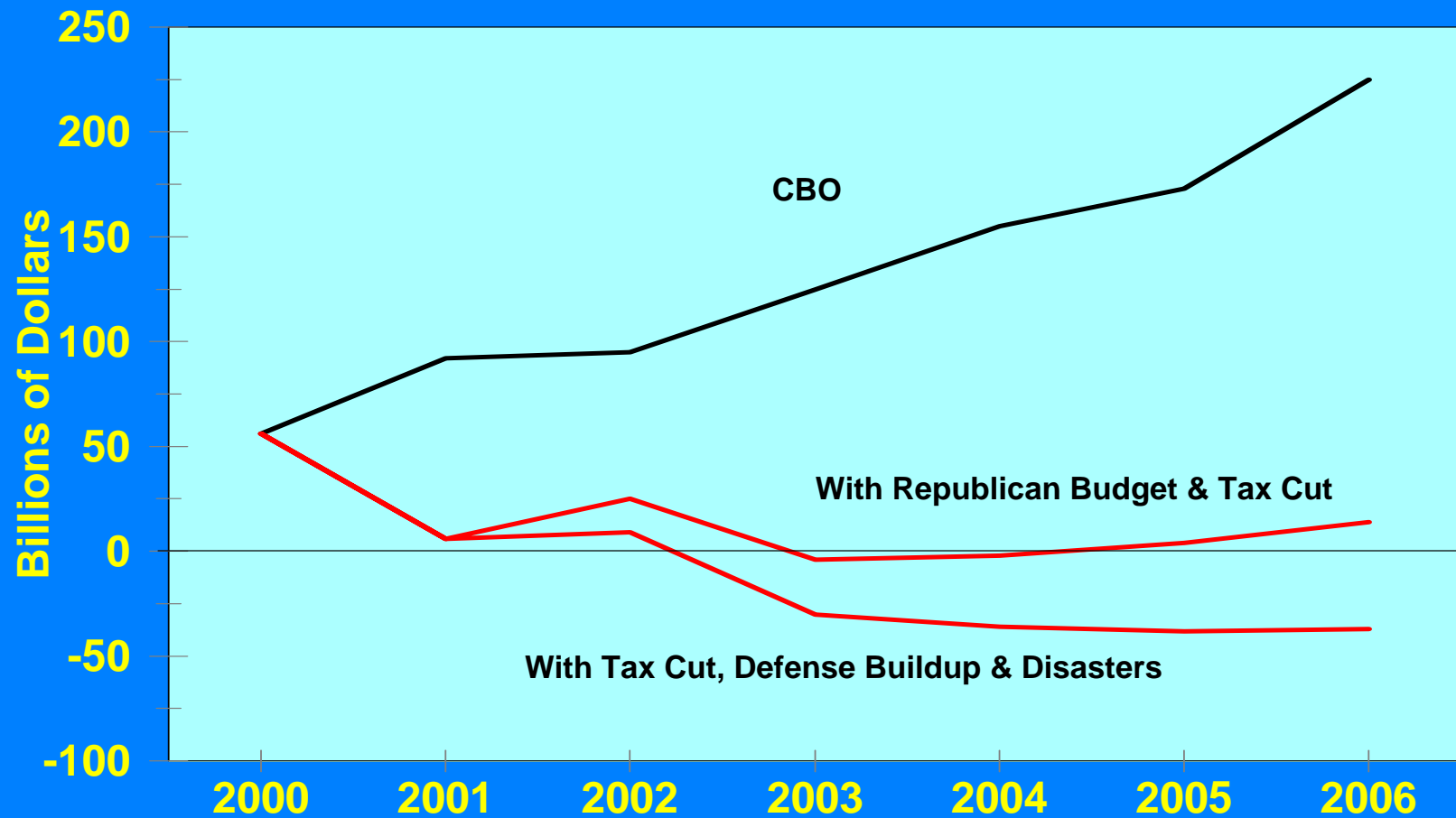
March 2001

Republicans Spend Into Medicare and Social Security Trust Fund Surpluses

(Billions of dollars; CBO May assumptions)

BUDGET RESOLUTION & TAX BILL	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002-11
Baseline Unified Surplus	275	304	353	400	437	508	578	641	718	806	883	5,629
Social Security	156	172	187	202	221	238	256	275	293	311	330	2,487
Medicare Part A	28	38	41	43	42	45	43	42	40	36	28	397
Available Surplus	92	95	125	155	173	225	279	324	385	459	525	2,745
Enacted Tax Cut	74	38	90	107	107	135	151	160	167	187	129	1,272
All Other Bud. Res. (Including Medicare Rx)	10	27	29	32	38	42	56	60	63	69	71	487
Resulting Net Interest	2	6	11	19	27	38	50	65	81	99	117	514
"Contingency Reserve"	6	25	-5	-4	1	11	21	39	73	104	206	472
SUBSEQUENT ACTION	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002-11
Bush Defense Request	0	12	16	18	20	21	23	24	26	28	33	220
Bush Energy Plan	0	1	2	3	4	4	4	4	4	4	4	35
Patients Bill of Rights (underestimate)	0	0	0	1	1	1	2	2	2	2	2	13
Resulting Net Interest	0	0	1	2	4	5	7	9	11	14	17	71
Resulting "Contingency Reserve"	6	11	-24	-28	-27	-21	-14	0	30	57	151	134
Spending of Medicare Surplus	0	0	-24	-28	-27	-21	-14	0	0	0	0	-114
LIKELY FURTHER ACTION	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002-11
Average Historical Emergencies	N.A.	2	4	5	6	6	6	6	6	7	7	55
Tax Extenders and Sunsets	0	1	4	6	10	15	20	23	25	29	126	260
Resulting Net Interest	0	0	0	1	2	3	4	6	8	10	15	49
Resulting "Contingency Reserve"	6	8	-32	-39	-45	-45	-44	-35	-10	10	3	-230
Spending of Medicare Surplus	0	0	-32	-39	-42	-45	-43	-35	-10	0	0	-246
HBC ESTIMATED AUGUST UPDATE	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2002-11
On-Budget Change - Economics	1	5	9	12	16	21	26	28	31	33	36	217
On-Budget Change - Technicals	20	20	0	0	0	0	0	0	0	0	0	20
Resulting "Contingency Reserve"	-15	-17	-41	-51	-61	-66	-70	-63	-40	-23	-33	-467
Spending of Medicare Surplus	-15	-17	-41	-43	-42	-45	-43	-42	-40	-23	-28	-363
Spending of Social Security Surplus	0	0	0	-9	-19	-22	-27	-21	0	0	-5	-104

Surplus Outside of Social Security and Medicare



Bush Budget Spends Medicare Surplus

Ten-Year Total (Unified) Surplus (OMB) \$5.637 Trillion

Less:

 Social Security Trust Fund Surplus \$2.591 Trillion

 Medicare HI Trust Fund Surplus \$0.526 Trillion

Equals:

Available Surplus \$2.520 Trillion

Less:

 Bush Tax Cut Adjusted for HR 3, 6, & 8 \$1.785 Trillion

 Fixing AMT Problems Due to Bush Tax Cut \$0.292 Trillion

 Extend Expiring Tax Provisions \$0.100 Trillion

 Added Spending in Bush Budget \$0.172 Trillion

 Added Interest Payments on Public Debt \$0.500 Trillion

Equals:

Bush DEFICIT - \$0.329 Trillion

Other Claims on the Budget:

 Realistic Prescription Drug Benefit

 Realistic Funding for Defense Modernization and Missile Shield

 Realistic Funding for the Environment

 Realistic Estimate for Health Care Tax Cut

 Realistic Estimate for Long-Term Care Tax Cut

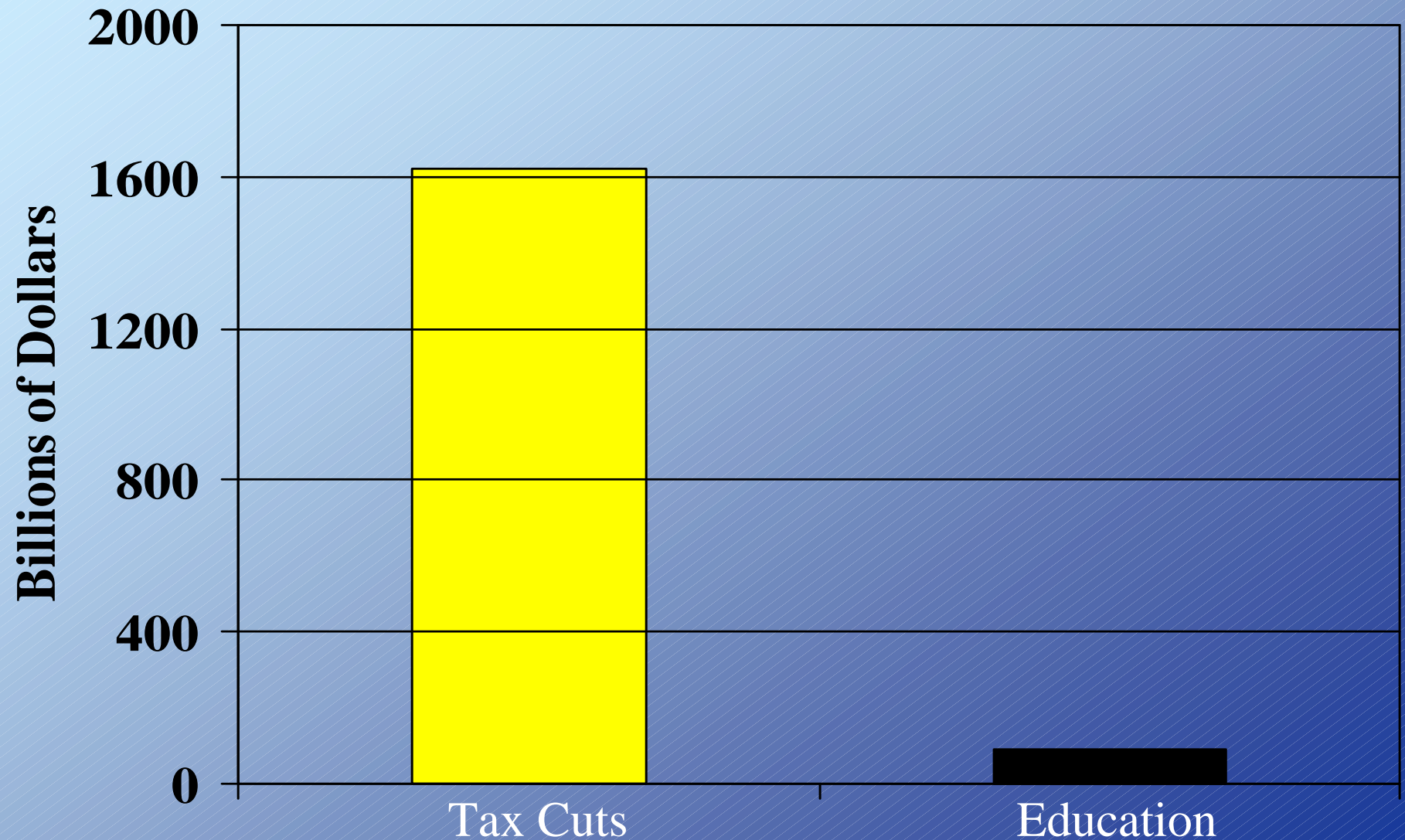
REPUBLICAN BUDGET FRAMEWORK

(Billions of dollars)

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Baseline Unified Surplus	312.9	359.1	396.8	432.9	505.0	572.7	635.1	710.4	796.0	888.7
Social Security	170.8	187.9	201.1	221.3	238.2	256.5	275.9	293.7	311.7	330.5
Medicare Part A	36.0	39.0	41.0	40.0	44.0	41.0	41.0	39.0	37.0	34.0
Available Surplus	106.1	132.3	154.7	171.6	222.8	275.2	318.2	377.7	447.3	524.2
Tax Cut	67.7	83.1	108.6	133.0	167.4	187.2	201.1	217.0	232.7	240.9
Spending Increases	15.6	16.3	15.9	17.3	20.3	24.9	29.7	33.2	39.1	44.0
Net Interest	2.7	7.2	13.7	21.9	32.3	45.1	60.0	76.5	95.2	115.8
On-Budget Surplus	20.1	25.6	16.5	(0.6)	2.7	18.1	27.4	51.0	80.2	123.5

Tax Cuts Overshadow Education Increase

Ten Year Totals 2001-2011



Claimed Contingency Fund \$517 billion

Save the Medicare Surplus \$364 billion

Individual Social Security Accounts \$??? billion

Boost Defense as a % of GDP \$??? billion

Agriculture Policy Changes \$??? billion

National Missile Defense \$??? billion

Economic Downturn \$??? billion

Estimating Errors \$??? billion

Bigger Tax Cut \$??? billion

Fix the AMT \$??? billion

What Contingency Fund?

CBO Estimates, Trillions of Dollars

Non-Social Security, Non-Medicare Surplus	2.729
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Less:

Bush Tax Cut, Re-estimated for H.R. 3 and H.R. 6	1.862
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Fix Added AMT Problems Due to Bush Tax Cut	0.292
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Additional Spending in Republican Budget	0.256
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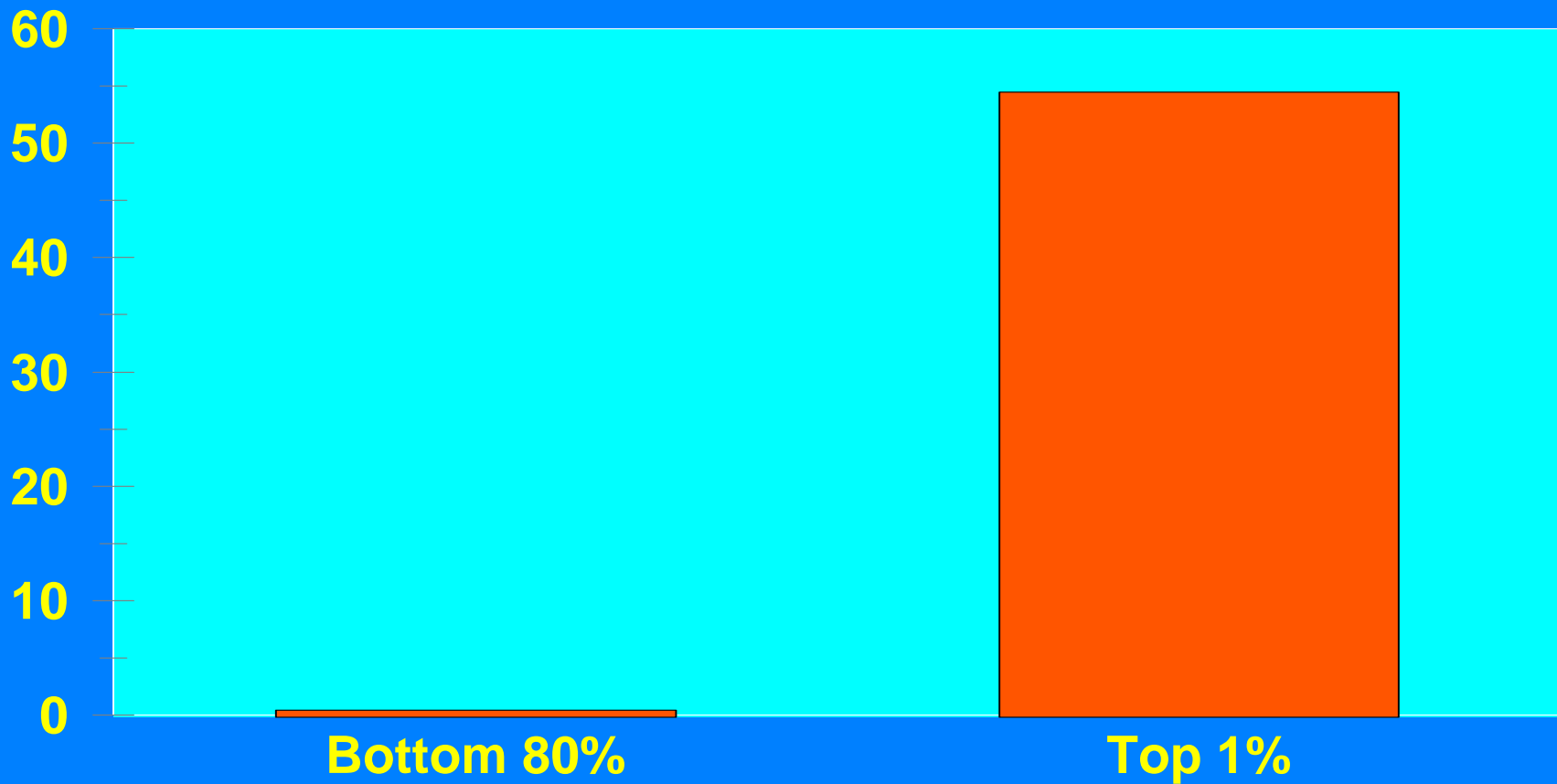
Additional Interest Payments to Bondholders	0.565
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Equals:

Republican DEFICIT	-0.246
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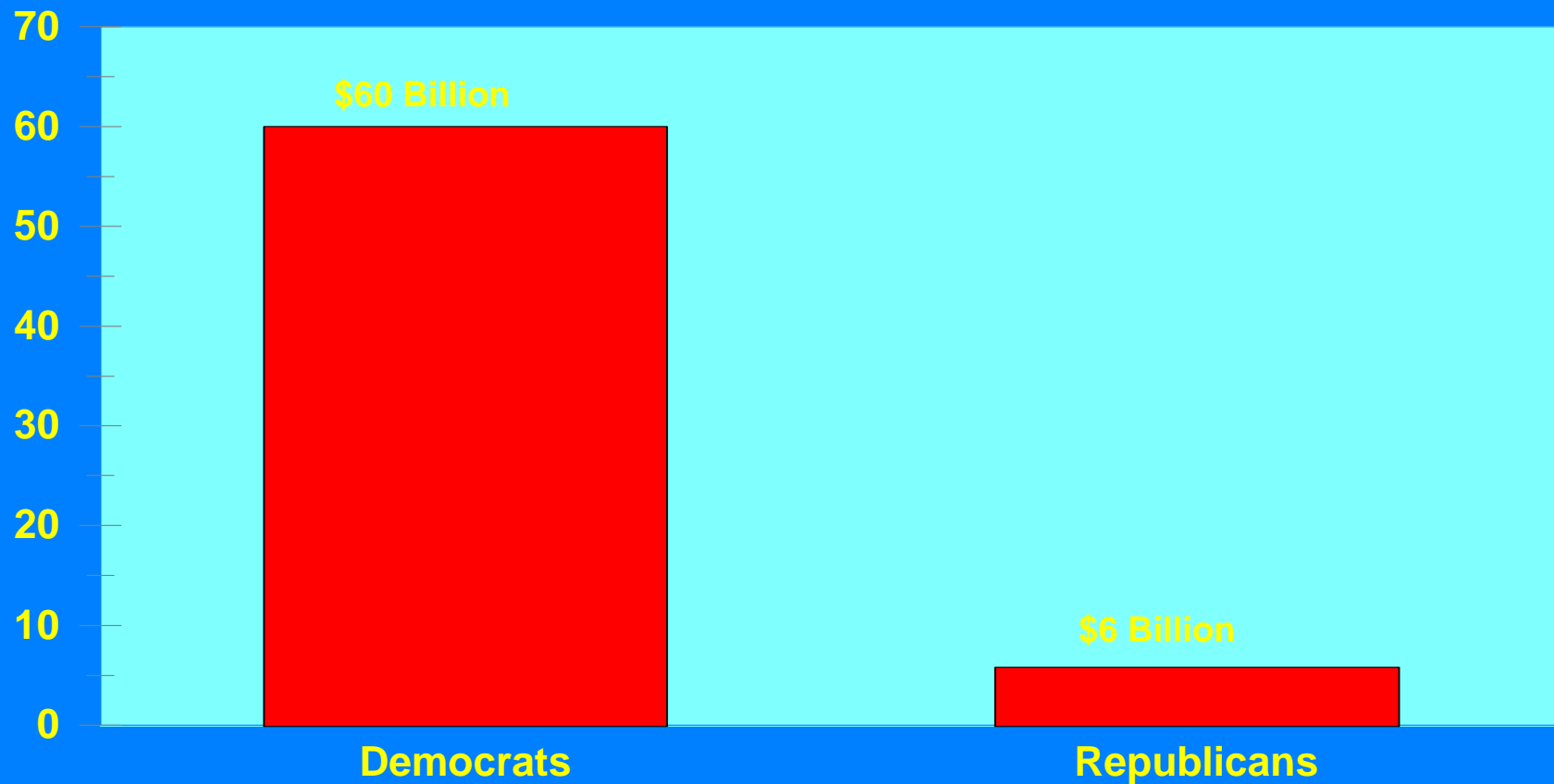
Who Gets the Bush Tax Cut?

Average Cut, Thousands of Dollars



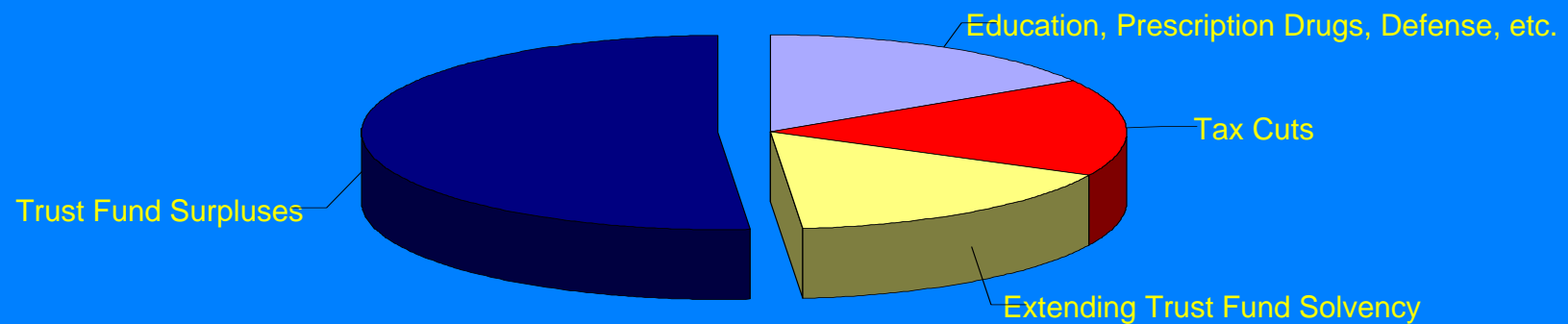
Republicans Stall on Stimulus

FY 2001 Tax Cut, Billions of Dollars

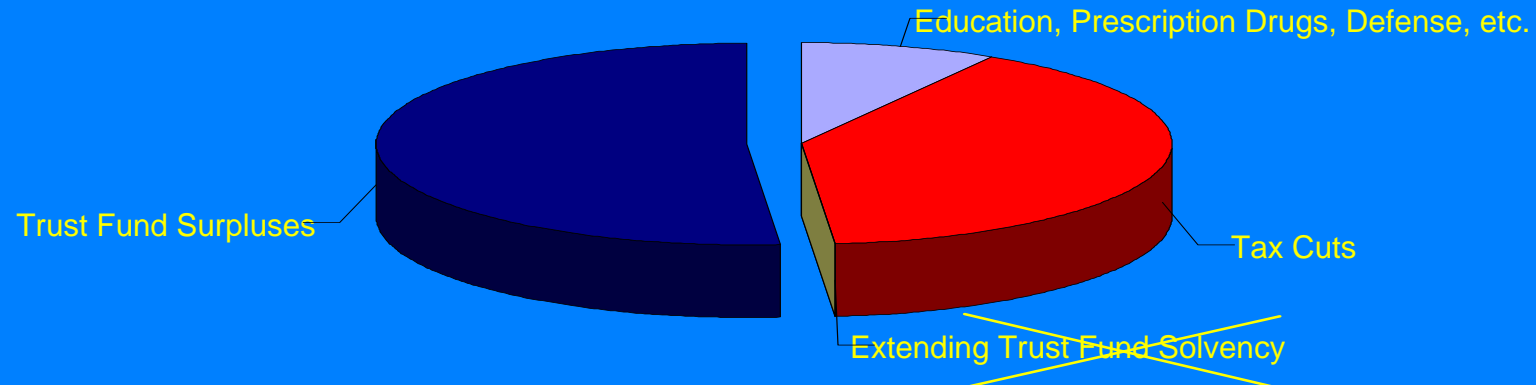


Republican Priorities: Nothing for Solvency

Democratic Plan

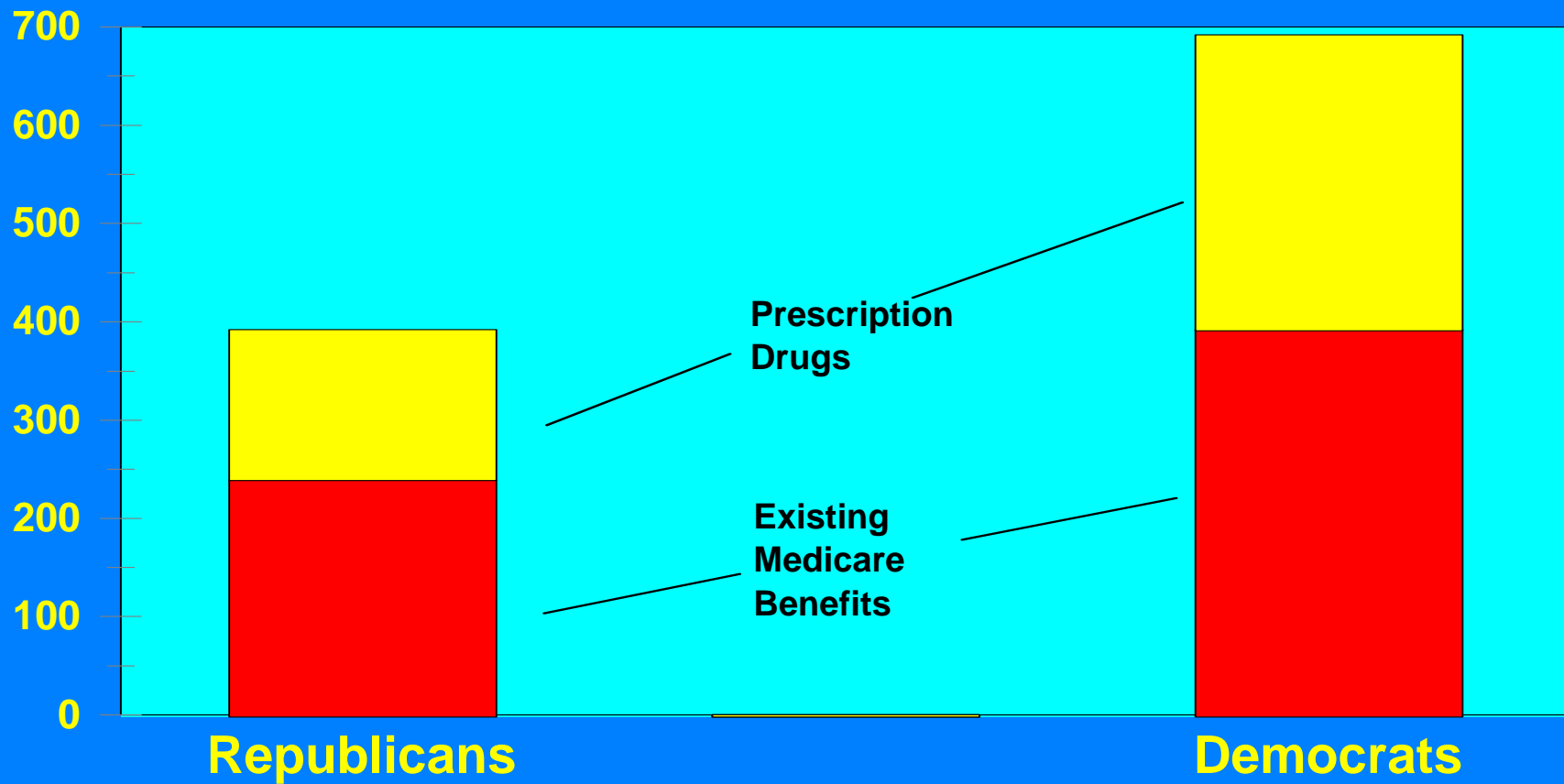


Republican Plan



Medicare and Prescription Drugs

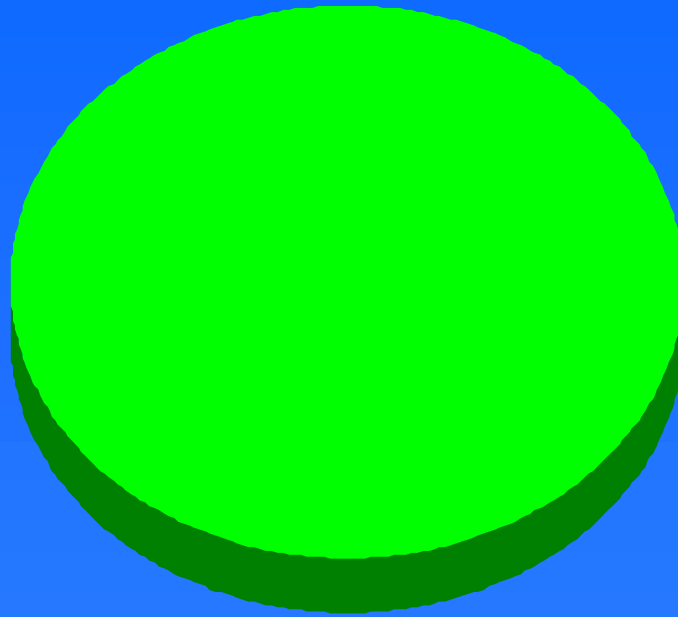
Billions of Dollars, 2002-2011



Another Republican acknowledged today that the \$153 billion President Bush set aside in his budget for a Medicare prescription drug benefit would not be enough. "Every body knows that figure is gone," Energy and Commerce Chairman Tauzin told reporters at a briefing. The number, he said, was set before CBO re-estimated last year's House bill, which he said is "already over \$200 billion and climbing."

CongressDaily
March 22, 2001

Democrats Protect Medicare Trust Fund and Provide Real Prescription Coverage



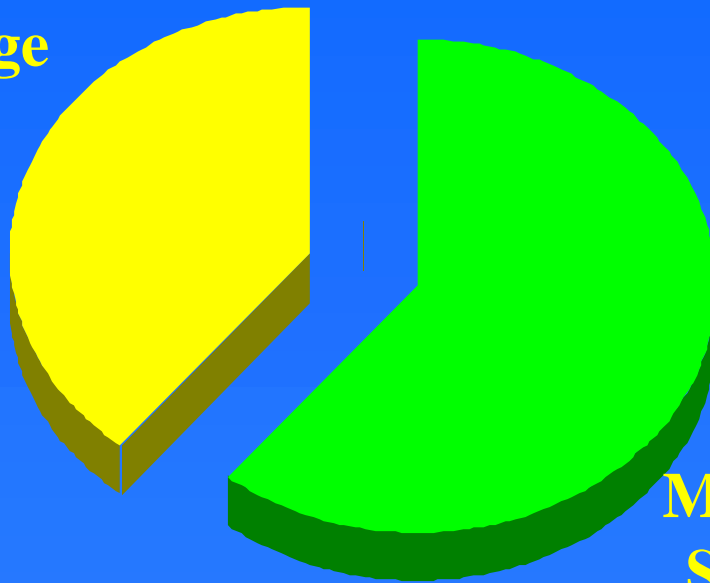
**Medicare
Surplus
\$392 B**



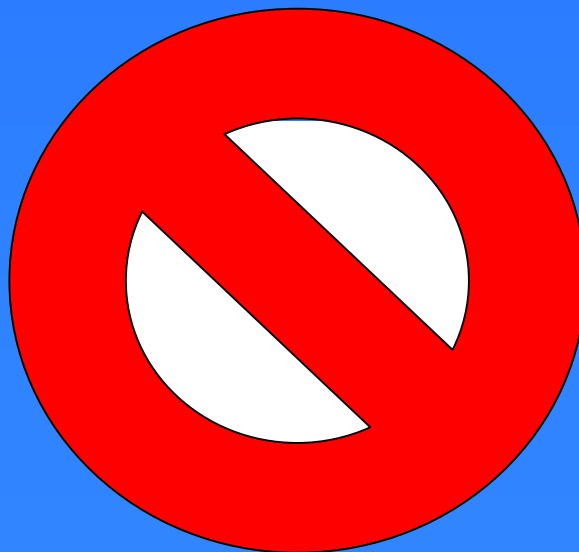
**Real Rx
Coverage
\$330 B**

Republicans Raid Medicare Trust Fund for Inadequate Drug Coverage

**Inadequate
Rx Coverage
\$153 B**



**Medicare
Surplus
\$239 B**



**Real Rx
Coverage**